

House File 2420 - Introduced

HOUSE FILE _____
BY HUNTER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for a worker shortage loan forgiveness program.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3 TLSB 5929HH 82
4 kh/nh/14

PAG LIN

1 1 Section 1. NEW SECTION. 261.115 WORKER SHORTAGE LOAN
1 2 FORGIVENESS PROGRAM.
1 3 1. A worker shortage loan forgiveness program is
1 4 established to be administered by the commission. An
1 5 individual is eligible for the program if the individual
1 6 graduated from a school district or accredited nonpublic
1 7 school in this state in or after 2008, is a resident of the
1 8 state, and successfully completed a vocational=technical or
1 9 career option program or graduated with an associate degree
1 10 from a community college established pursuant to chapter 260C
1 11 or graduated with a baccalaureate degree or postbaccalaureate
1 12 degree from an institution of higher education governed by the
1 13 state board of regents or from an accredited private
1 14 institution, and the individual meets either of the following
1 15 conditions:
1 16 a. Is employed and residing in this state and has been
1 17 employed and residing in this state for a period of two
1 18 consecutive years within three years of successfully
1 19 completing a vocational=technical or career option program or
1 20 achieving an associate degree from a community college.
1 21 b. Is employed and residing in this state and has been
1 22 employed and residing in this state for a period of four
1 23 consecutive years within five years of graduating with a
1 24 baccalaureate degree or postbaccalaureate degree from an
1 25 institution of higher education governed by the state board of
1 26 regents or from an accredited private institution.
1 27 2. Each applicant for loan forgiveness shall, in
1 28 accordance with the rules of the commission, do the following:
1 29 a. Complete and file an application for worker shortage
1 30 loan forgiveness. The individual shall be responsible for the
1 31 prompt submission of any information required by the
1 32 commission.
1 33 b. File a new application and submit information as
1 34 required by the commission annually on the basis of which the
1 35 applicant's eligibility for the renewed loan forgiveness will
2 1 be evaluated and determined.
2 2 c. Complete and return on a form approved by the
2 3 commission an affidavit of eligibility verifying that the
2 4 applicant met the requirements of subsection 1.
2 5 3. The annual amount of worker shortage loan forgiveness
2 6 shall not exceed the following:
2 7 a. For an individual who meets the conditions of
2 8 subsection 1, paragraph "a", the combined resident tuition
2 9 rate established for the two years following the individual's
2 10 successful program completion or graduation from the community
2 11 college, or one hundred percent of the individual's total
2 12 federally guaranteed Stafford loan amount under the federal
2 13 family education loan program or the federal direct loan
2 14 program and any private student loan issued by a lender that
2 15 meets standards prescribed by the commission including
2 16 principal and interest, whichever amount is less.
2 17 b. For an individual who meets the conditions of
2 18 subsection 1, paragraph "b", the combined resident tuition
2 19 rate established for institutions of higher learning governed
2 20 by the state board of regents for the four years following the
2 21 individual's graduation from the regents university or

2 22 accredited private institution, or one hundred percent of the
2 23 individual's total federally guaranteed Stafford loan amount
2 24 under the federal family education loan program or the federal
2 25 direct loan program and any private student loan issued by a
2 26 lender that meets standards prescribed by the commission
2 27 including principal and interest, whichever amount is less.

2 28 4. The commission shall submit in a report to the general
2 29 assembly by January 1, annually, the number of individuals who
2 30 received loan forgiveness pursuant to this section, the
2 31 postsecondary institutions from which the individuals
2 32 graduated or successfully completed a vocational=technical or
2 33 career options program, where in the state program
2 34 participants are employed, program participants' employment
2 35 classifications or types of employment, the amount paid to
3 1 each program participant, and other information identified by
3 2 the commission as indicators of outcomes from the program.

3 3 5. The commission shall adopt rules pursuant to chapter
3 4 17A to administer this section.

3 5 EXPLANATION

3 6 This bill creates a worker shortage loan forgiveness
3 7 program to be administered by the college student aid
3 8 commission. The program is open to individuals who graduated
3 9 from an Iowa high school in 2008 or later, are employed and
3 10 reside in the state, and successfully completed a
3 11 vocational=technical or career option program or received a
3 12 degree from an accredited postsecondary institution in the
3 13 state.

3 14 The individual must also have been employed and resided in
3 15 this state for a period of two consecutive years within three
3 16 years of successfully completing a vocational=technical or
3 17 career option program or achieving an associate degree from a
3 18 community college, or must have been employed and resided in
3 19 this state for a period of four consecutive years within five
3 20 years of graduating with a baccalaureate degree or
3 21 postbaccalaureate degree from a regents university or
3 22 accredited private institution.

3 23 In the case of an individual who attended a community
3 24 college, the total amount of worker shortage loan forgiveness
3 25 shall not exceed the combined resident tuition rate
3 26 established for the two years following the individual's
3 27 successful program completion or graduation from the community
3 28 college, or 100 percent of the individual's total federal loan
3 29 program and private student loan amount including principal
3 30 and interest, whichever amount is less.

3 31 In the case of an individual who attended a regents
3 32 university or accredited private institution, the annual
3 33 amount of worker shortage loan forgiveness shall not exceed
3 34 the combined resident tuition rate established for regents
3 35 universities for the four years following the individual's
4 1 graduation, or 100 percent of the individual's total federal
4 2 loan program and private student loan amount including
4 3 principal and interest, whichever amount is less. The
4 4 individual is eligible for the loan forgiveness program for
4 5 not more than four consecutive years.

4 6 The bill requires the commission to submit a report to the
4 7 general assembly by January 1, annually, with information
4 8 identified as indicators of outcomes from the program.

4 9 LSB 5929HH 82

4 10 kh/nh/14.1